

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	Hungary/Rumania	REPORT	<input type="text"/>	25X1
SUBJECT	Hungarian-Rumanian Trade Discussion in Budapest	DATE DISTR.	6 April 1954	
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- During January 1954, discussions between Hungary and Rumania were being conducted in Budapest concerning the current Hungarian-Rumanian trade agreement, the terms of which have allegedly been violated by both parties.<sup>1</sup> Conclusion of negotiations, which have been twice broken off, is considered of such urgency that the Rumanian government has delegated the Minister for Chemical Industries, Mihai Florescu, and the First Deputy of the Foreign Trade Ministry, Mauriciu Novak, to represent it at Budapest. Serious complications are foreseen for the industrial planning of both countries if deliveries are further delayed.
- The Rumanians charge that the Hungarian failure to fulfill commitments for artificial fertilizer has already gravely affected the Rumanian agricultural economy. Only 18 percent of the artificial fertilizer contingent and 27 percent of other chemical products commitments have been delivered. The Hungarian delegates, on the other hand, claim that their Rumanian trading partner has been even more delinquent in raw material deliveries, having only met commitments to the following extent:

Tar	8 percent
Wood fiber and raw cellulose	24 "
Bitumen and high viscosity oil	32 "

<sup>1</sup>  Comment. The current trade agreement is in effect until autumn 1954.

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25 YEAR RE-REVIEW

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